

**ANNUAL REPORT
OF THE
DETROIT AND MACKINAC
RAILWAY COMPANY**

**FOR THE YEAR ENDED DECEMBER 31st
1948**

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DETROIT AND MACKINAC RAILWAY COMPANY

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

CHARLES A. PINKERTON, JR.	.....	East Tawas, Mich.
WALTER F. KEERS	.....	Brooklyn, N. Y.
STANLEY E. LAWFER	.....	Allentown, Pa.
J. F. HIGGINS	.....	New York, N. Y.
R. W. PIEPKORN	.....	Alpena, Mich.

OFFICERS

CHARLES A. PINKERTON, JR., President and General Manager	.....	Tawas City, Michigan
N. W. SALSBERRY, Secretary and Treasurer	.....	Tawas City, Michigan
A. J. SEVENER, Auditor	.....	Tawas City, Michigan
R. W. HICKEY, Assistant to General Manager	.....	Tawas City, Michigan
W. T. YAKE, General Freight Agent	.....	Tawas City, Michigan
CARL R. HENRY, General Counsel	Alpena, Michigan

FISCAL AND TRANSFER AGENTS

J. P. Morgan & Company	New York, N. Y.
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REGISTRAR OF STOCK

Central Hanover Bank and Trust Company	New York, N. Y.
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ANNUAL MEETING

The last Tuesday in April is the date of Annual Meeting of Stockholders
General Office Tawas City, Michigan

JOE C. TREPANIER
CERTIFIED PUBLIC ACCOUNTANT
LAFAYETTE BUILDING
DETROIT

26

January 28, 1949

To The Stockholders and Board of Directors of
Detroit and Mackinac Railway Company
Tawas City, Michigan

We have examined the Statement of Financial Condition of the Detroit and Mackinac Railway Company as at December 31, 1948 and the related Statement of Income and Earned Surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards and included such tests of the accounting records and other supporting evidence and such other procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the position of the Detroit and Mackinac Railway Company at December 31, 1948 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles prescribed by the Interstate Commerce Commission.

JOE C. TREPANIER
Certified Public Accountant

DETROIT AND MACKINAC RAILWAY COMPANY

Tawas City, Michigan
April 1, 1949

TO THE STOCKHOLDERS:

The following report is submitted covering the operation of your company during the year 1948.

REVENUES from freight traffic handled exceeded the previous year and accounted for more than 93 percent of the total gross earnings.

The Interstate Commerce Commission authorized freight rate increases effective January 5, 1948 providing increases of 20 percent in lieu of a previous 10 percent granted on October 13, 1947. Effective May 6, 1948 the 20 percent increase was replaced by a 30 percent advance, all increases being subject to certain maximums and exceptions. On August 31 the 30 percent interim increase was made permanent, with further adjustments for maximum increases.

Passenger fares produced a new low in revenues, aggregating less than one percent of gross. This reduction in passenger traffic resulted largely from the competition of bus transportation and private passenger automobiles.

Mail revenues reflected a 25 percent interim increase effective February 1, 1948 which was retroactive to February 19, 1947. The decision for further mail pay increases is now pending before the Interstate Commerce Commission.

OPERATING EXPENSES reflect advances in prices during the year 1948 as compared to 1947 in materials and supplies, mainly track material and Diesel fuel, and increases in wages.

In September, 1947 a Presidential fact-finding board awarded both train and enginemen a 15½ cent per hour increase, and the non-operating employees received a similar award. In October, 1948 an additional 10-cent per hour increase was given the train and enginemen; non-operating employees received a seven-cent per hour increase. Effective September 1, 1949 a 40-hour week has been granted all non-operating employees, with an additional 20 percent increase to provide the same earnings for 40 hours as now received for a 48-hour week.

GENERAL During the year your company's rolling stock and motive power was further augmented by the purchase of 25 all-steel hopper cars at a cost of \$100,270, an additional Diesel locomotive costing \$131,240, and other miscellaneous equipment items costing \$24,253.

Negotiations were completed during the year with the Erie and Michigan Railway and Navigation Company for your company to resume operation of its own branch previously leased to the above company. Certain additional track facilities were necessary on this branch, and this expenditure along with the replacement of 5.35 miles of 70 pound rail with 90 pound rail required additional capital investment in physical property in the amount of \$54,672 for the year 1948.

Retirements of equipment during the year consisted principally of the four remaining steam locomotives and obsolete rolling stock equipment amounting to \$148,149. Retirement of other physical property along the line augmented this total to \$224,025.

A simplified income statement is as follows:—

	Year 1948	Year 1947	Increase - I Decrease - D
INCOME:			
Freight	\$ 2,045,692.24	\$ 1,647,403.80	\$ 398,288.44 I
Passenger	14,764.71	21,164.85	6,400.14 D
Other Transportation			
Revenues	138,334.89	140,692.81	2,357.92 D
Other Income	14,452.97	13,229.68	1,223.29 I
TOTAL	\$ 2,213,244.81	\$ 1,822,491.14	\$ 390,753.67 I
OUTGO:			
Wages	\$ 739,200.40	\$ 704,202.10	\$ 34,998.30 I
Fuel	44,961.61	36,006.84	8,954.77 I
Material and Supplies	238,568.66	143,680.24	94,888.42 I
Railway Tax Accruals Other than Federal Income Tax	78,588.27	97,615.74	19,027.47 D
Rental of Equipment,			
Debit Balance	36,472.36	68,973.78	32,501.42 D
Interest on Debt,			
Funded and Unfunded	101,802.55	109,435.24	7,632.69 D
Depreciation Charges	155,460.14	139,949.19	15,510.95 I
Other Operating and Non- Operating Expenses	112,012.81	114,109.04	2,096.23 D
TOTAL	\$ 1,507,066.80	\$ 1,413,972.17	\$ 93,094.63 I
Net Income before Federal Income Tax			
Federal Income Tax Accrual	\$ 269,964.37	139,776.34	130,188.03 I
NET INCOME \$ 436,213.64	\$ 268,742.63	\$ 167,471.01	I

Your dollars of income for 1948 were earned and spent as follows:

Earnings	Cents	Disposition	Cents
Products of Agriculture	4	Wages	33
Animals and Products	1	Materials and Fuels	13
Products of Mines	29	Taxes	16
Products of Forests	7	Net Equipment Rents	2
Products of Manufacturers	52	Depreciation	7
Handling of Passengers	1	Other Expenses	5
Other Transportation Revenue	5	Interest	5
Other Service	1	Net Income	19
TOTAL	100		100

A simplified balance sheet of your company as of December 31, 1948
is as follows:

ASSETS:

Road Property and Equipment, less depreciation	\$7,469,976.76
Sinking Funds	270,259.50
Miscellaneous Property	47,860.79
Cash	202,060.34
Government Securities	332,060.00
Material and Supplies	158,585.33
Other Assets	154,797.52

TOTAL ASSETS \$8,635,600.24

LIABILITIES:

Equipment Obligations	\$1,259,238.23
Accounts and Wages Payable	100,518.02
Accrued Taxes	308,939.05
Other Liabilities	196,358.92
Bonded Indebtedness	1,586,000.00

Capital Stock and Surplus:

Capital Stock	2,950,000.00
Surplus	2,234,546.02

TOTAL LIABILITIES \$8,635,600.24

It is with pride and sincere appreciation that your Directors acknowledge the efforts of every member of the company's organization. It will be the continued aim of your Management to better serve the communities through which we operate, and to conduct its business with ever improving efficiency and to the best interest of its stockholders.

By order of the Board of Directors.

CHARLES A. PINKERTON, JR.
President and General Manager

TABLE A

DETROIT AND MACKINAC RAILWAY COMPANY

CONDENSED GENERAL BALANCE SHEET AS OF DECEMBER 31, 1948, AND COMPARISON WITH
DECEMBER 31, 1947

ASSETS	Increase	Decrease
<i>Investments:</i>		
Investment in Road and Equipment	\$ 8,087,237.89	\$ 86,409.57
Less Accrued Depreciation	610,449.37	32,833.93
Net Investment	7,476,788.52	53,575.64
Less Donations and Grants	6,811.76	
Miscellaneous Physical Property	47,860.79	6,644.00
Sinking Funds	270,259.50	270,259.50
Total Investment Less Depreciation	<u>\$7,788,097.05</u>	<u>330,479.14</u>
<i>Current Assets:</i>		
Cash	202,060.34	\$345,694.93
Temporary Cash Investments	332,060.00	
Special Deposits	13,760.00	5,080.00
Net Balances Receivable from		
Agents and Conductors	46,268.42	9,420.55
Miscellaneous Accounts Receivable	47,120.78	7,632.98
Material and Supplies	158,585.33	
Accrued Accounts Receivable	37,403.19	15,410.86
Other Current Assets	238.04	
	<u>837,496.10</u>	<u>119,382.06</u>
<i>Deferred Assets:</i>		
Working Fund Advances	559.91	31.63
<i>Unadjusted Debits:</i>		
Prepayments	4,706.90	5,607.64
Other Unadjusted Debits	4,740.28	
	<u>9,447.18</u>	<u>1,983.71</u>
	<u><u>\$8,635,600.24</u></u>	<u><u>3,623.93</u></u>
	<u><u>\$214,689.38</u></u>	

TABLE A—(Continued)

LIABILITIES

	Decrease		Increase	
<i>Capital Stock:</i>				
Common Stock	\$2,000,000.00			
Preferred Stock	950,000.00			
	<hr/>			
<i>Long Term Debt:</i>			\$2,950,000.00	
First Lien Bonds	979,000.00			
Mortgage Bonds	607,000.00			
Equipment Obligations	1,259,238.23			
	<hr/>			
<i>Current Liabilities:</i>			\$2,845,238.23	
Traffic and Car Service Balances Payable	60,133.77			
Audited Accounts and Wages Payable	100,518.02			
Miscellaneous Accounts Payable	57,729.36			
Interest Matured Unpaid	13,788.44			
Unmatured Interest Accrued	5,764.22			
Accrued Accounts Payable	30,756.14			
Other Current Liabilities	23,501.19			
Taxes Accrued	38,974.68			
Federal Income Tax Payable	269,964.37			
	<hr/>			
	601,130.19		17,085.18	
	<hr/>			
<i>Deferred Liabilities:</i>			4,685.80	
			12.00	
<i>Unadjusted Credits:</i>				.85
<i>Corporate Surplus:</i>				
Earned Surplus-Appropriated	1,850,448.40			497,036.64
Earned Surplus-Credit Balance	348,097.62			497,036.64
	<hr/>			
	2,234,546.02			
	<hr/>			
	\$8,635,600.24			\$214,689.38

TABLE B

DETROIT AND MACKINAC RAILWAY COMPANY

INCOME ACCOUNT FOR YEAR ENDING DECEMBER 31, 1948
COMPARED WITH YEAR ENDING DECEMBER 31, 1947

OPERATING REVENUES:

	1948	Increase	Decrease
Freight	\$2,045,692.24	\$398,288.44	
Passenger	14,764.71		\$6,400.14
Baggage	50.09		31.19
Mail	38,677.00	13,077.00	
Express	15,398.44		3,131.71
Other Passenger Train	852.01		218.18
Milk	9,071.81	892.32	
Switching	42,011.10		4,330.37
Station Privileges			9.79
Parcel Room			1.00
Storage — Freight	885.98		208.68
Storage — Baggage	106.01	106.01	
Demurrage	21,812.25		3,678.70
Telegraph and Telephone	2.87		29.90
Rents of Buildings and Other Property	6,524.10	728.59	
Miscellaneous	2,941.42		5,517.18
Joint Facility Cr.	1.81		5.14
Total Operating Revenues	\$2,198,791.84	\$389,530.38	

OPERATING EXPENSES:

Maintenance of Way and Structures	\$ 463,464.68	\$ 64,312.13
Maintenance of Equipment	252,400.58	38,195.24
Traffic	22,244.34	6,142.55
Transportation	449,552.89	35,195.18
General	100,263.51	11,264.54
Total Operating Expenses	\$1,287,926.00	\$155,109.64

Net Operating Revenue	\$ 910,865.84	\$234,420.74
Railway Tax Accruals	348,552.64	111,160.56

Railway Operating Income	\$ 562,313.20	\$123,260.18
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Income from Lease of Road and Equipment	1,852.64	108.83
Miscellaneous Rent Income	6,032.59	1,159.26
Miscellaneous Physical Property	2,293.16	780.95
Income from Unfunded Securities and Accounts	1,883.50	237.00
Miscellaneous Income	230.00	40.00
Equipment Rents	Dr. 36,472.36	32,501.42
Joint Facility Rents	1,901.58	670.59
Income from Sinking Funds	259.50	
Total Income	\$ 540,293.81	\$156,984.89

Miscellaneous Rents	\$ 1.00	71.00
Miscellaneous Tax Accruals	845.18	36.24
Interest on Funded Debt	101,794.05	7,629.48
Interest on Unfunded Debt	8.50	3.21
Miscellaneous Income Charges	1,431.44	124.19
Delayed Income Debits		2,622.00

Net Income	\$ 436,213.64	\$167,471.01
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TABLE B—(Continued)

DETROIT AND MACKINAC RAILWAY COMPANY

PROFIT AND LOSS ACCOUNT

Debit Balance, January 1, 1948	\$112,939.02
Credit Balance Transferred from Income	\$436,213.64
Miscellaneous Credits	83,451.20
Miscellaneous Debits	22,628.20
Credit Balance Carried to Balance Sheet	384,097.62
	\$519,664.84
	\$519,664.84

TABLE C

PARTICULARS OF BONDED DEBT

Class of Bonds	Amount Outstanding 12/31/48	INTEREST		Interest Accrued During Year	Principal Due
		Rate	When Payable		
First Lien	\$ 979,000.00	4 %	June and December	\$44,018.00	June 1, 1995
Mort.	607,000.00	4 %	June and December	28,147.00	June 1, 1995
				\$72,165.00	
\$1,586,000.00					

TABLE D

DETROIT AND MACKINAC RAILWAY COMPANY

COMPARATIVE FINANCIAL STATEMENT

CURRENT ASSETS	Dec. 31 1946	Dec. 31, 1947	Dec. 31, 1948
Cash	\$ 525,415.98	\$ 547,755.27	\$ 202,060.34
Special Funds	84,320.00	93,840.00	345,820.00
Due from Station Agents and Others ..	107,196.23	110,442.73	93,389.20
Material and Supplies	133,171.56	151,878.54	158,585.33
Prepaid and Deferred Charges	18,934.78	53,553.16	38,201.14
Other Unadjusted Debits	19,901.18	5,823.25	9,447.18
Totals	\$ 888,939.73	\$ 963,292.95	\$ 847,503.19

LESS CURRENT LIABILITIES

Audited Vouchers and Pay Rolls	\$ 138,084.43	\$ 123,897.66	\$ 100,518.02
Accrued Taxes, Interest and Traffic Balances	282,473.08	464,821.15	505,297.97
Totals	\$ 420,557.51	\$ 588,718.81	\$ 605,815.99
Net Current Assets	\$ 468,382.22	\$ 374,574.14	\$ 241,687.20

CAPITAL ASSETS

Cost of Road	\$5,871,637.23	\$5,817,876.62	\$5,796,672.61
Cost of Equipment	1,450,461.76	2,182,951.70	2,290,565.28
Miscellaneous Physical Property	32,000.53	41,216.79	47,860.79
Sinking Funds			270,259.50
 Totals	 \$7,354,099.52	 \$8,042,045.11	 \$8,405,358.18

REPRESENTING

Bonds Issued—First Lien	\$1,159,000.00	\$1,153,000.00	\$ 979,000.00
Bonds Issued—Mortgage	1,022,000.00	756,000.00	607,000.00
Stock Issued—Common	2,000,000.00	2,000,000.00	2,000,000.00
Stock Issued—Preferred	950,000.00	950,000.00	950,000.00
Equipment Obligations	587,701.68	1,235,681.82	1,259,238.23
Reserves	740,664.49	577,615.44	610,449.37
Grants in Aid of Construction	6,811.76	6,811.76	6,811.76
Other Unadjusted Credits	15.31	.85	
Appropriated Surplus	1,850,448.40	1,850,448.40	1,850,448.40
Earned Surplus	* 494,159.90	* 112,939.02	384,097.62
 Totals	 \$7,822,481.74	 \$8,416,619.25	 \$8,647,045.38

TABLE E

DETROIT AND MACKINAC RAILWAY COMPANY

REVENUE AND EXPENSES BY YEARS

	1944 Amount	Per Cent	1945 Amount	Per Cent	1946 Amount	Per Cent	1947 Amount	Per Cent	1948 Amount	Per Cent
REVENUES										
Freight	\$ 786,312.68	77.38	\$ 833,680.38	80.19	\$ 1,295,587.72	91.50	\$ 1,647,403.80	91.0	\$ 2,045,692.24	93.04
Pasenger	138,745.11	13.65	110,827.93	10.68	38,440.85	2.72	21,164.85	1.2	14,764.71	.67
Mail	40,594.61	4.00	41,202.98	3.94	36,471.14	2.58	25,600.00	1.4	38,677.00	1.76
Express	23,861.03	2.35	20,295.71	1.92	5,878.76	.41	18,530.15	1.0	15,398.44	.70
Milk	8,388.45	.81	7,667.22	.77	6,769.24	.47	8,179.49	.5	9,071.81	.41
Other Sources	18,352.73	1.81	25,980.70	2.50	32,825.01	2.32	88,383.17	4.9	75,187.64	3.42
Total	\$1,016,204.61	100 %	\$1,039,654.92	100 %	\$1,415,972.72	100 %	\$1,809,261.46	100 %	\$2,198,791.84	100 %
EXPENSES										
Maintenance of Way and Structures	\$ 218,350.27	25.12	\$ 217,438.29	25.38	\$ 278,525.85	26.92	\$ 399,152.55	35.3	\$ 463,464.68	35.99
Maintenance of Equipment	210,797.22	24.25	189,786.19	22.23	208,948.86	20.19	214,205.34	19.0	252,400.58	19.60
Traffic	9,876.79	1.14	9,003.57	1.05	10,015.60	.96	16,101.79	1.4	22,244.34	1.73
Transportation	383,181.26	44.08	392,072.63	45.85	464,785.40	44.91	414,357.71	36.6	449,552.89	34.90
General	47,088.16	5.41	47,094.78	5.49	72,794.89	7.02	88,998.97	7.7	100,263.51	7.78
Total	\$ 869,293.70	100 %	\$ 855,395.46	100 %	\$ 1,035,070.60	100 %	\$ 1,132,816.36	100 %	\$ 1,287,926.00	100 %
Operating Ratio	85.55 %		82.31 %		73.10 %		62.60 %		58.55 %	
Net Operating Income	\$ 146,910.91	14.45	\$ 184,259.46	17.69	\$ 380,902.12	26.90	\$ 676,445.10	37.4	\$ 910,865.84	41.43
Taxes	51,865.66	5.10	52,580.63	5.00	84,382.30	5.95	237,392.08	13.1	348,552.64	15.85
Net Operating Income Less Taxes. \$	95,045.25	9.35	\$ 131,678.83	12.69	\$ 296,519.82	20.95	\$ 439,053.02	24.3	\$ 562,313.20	25.58

TABLE E-1

DETROIT AND MACKINAC RAILWAY COMPANY

RAILWAY OPERATING REVENUES, EXPENSES AND TAX ACCRUALS BY YEARS

Year	Revenues	Expenses	Net Operating Revenue	Railway Tax Accruals	Net Operating Revenue Less Tax Accruals
1934	\$ 632,904.36	\$ 514,332.73	\$118,571.63	\$ 1,733.27	\$116,838.36
1935	654,505.91	548,623.57	105,832.34	15,247.76	90,634.58
1936	803,484.39	605,305.79	198,178.60	21,118.51	177,060.09
1937	885,445.46	694,643.86	190,801.60	35,134.67	155,666.93
1938	877,856.23	630,599.65	247,256.58	34,889.55	212,367.03
1939	876,809.06	643,663.46	233,156.60	43,708.16	189,437.44
1940	849,680.71	623,629.04	226,051.67	41,753.93	184,297.74
1941	845,559.26	643,292.35	202,266.91	41,775.56	160,491.35
1942	1,189,479.04	728,314.96	461,164.08	53,262.32	407,901.76
1943	975,711.81	932,649.82	43,061.99	80,802.63	†37,740.64
1944	1,016,204.61	869,293.70	146,910.91	51,865.66	95,045.25
1945	1,039,654.92	855,395.46	184,259.46	52,580.63	131,678.83
1946	1,415,972.72	1,035,070.60	380,902.12	84,382.30	296,519.82
1947	1,809,261.46	1,132,816.36	676,445.10	237,392.08	439,053.02
1948	2,198,791.84	1,287,926.00	910,865.84	348,552.64	562,313.20

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TABLE F

DETROIT AND MACKINAC RAILWAY COMPANY

OPERATING EXPENSES

1948 COMPARED WITH 1947

MAINTENANCE OF WAY AND STRUCTURES

	Amount	Increase	Decrease
Superintendence	\$ 28,141.74	\$ 424.54	
Roadway Maintenance	29,467.83	7,257.79	
Bridges, trestles, and culverts	2,192.69	396.50	
Ties	104,288.12	33,523.21	
Rails	21,103.96	6,093.65	
Other Track Material	19,339.44		\$11,662.60
Ballast	4,531.78	2,985.73	
Track Laying and Surfacing	131,747.00	18,406.55	
Fences, Snowsheds, and Signs	5,490.37		5,803.16
Station and Office Buildings	5,693.04	2,338.34	
Roadway Buildings	162.94		.40
Water Stations	24.22	173.65	
Fuel Stations	57.18		318.84
Shops and Enginehouses	11,870.86		5,357.39
Telegraph and Telephone Lines	7,552.04	490.14	
Signals and Interlockers	636.38	112.22	
Road Property—Depreciation	31,333.33		2,874.61
Retirements—Road	33,076.13	23,539.57	
Roadway Machines	2,013.52		3,528.79
Dismantling Retired Road Property	2,619.88	1,441.00	
Small Tools and Supplies	6,214.86	1,441.67	
Removing Snow, Ice and Sand	9,046.14		8,236.64
Public Improvements, Maintenance	4,524.71	2,662.12	
Injuries to Persons	652.67		62.28
Insurance	1,191.12	289.54	
Stationery and Printing	370.04	228.00	
Other Expenses	12.38		21.00
Maintaining Joint Tracks, Yards and Other Facilities—Dr.	834.66		133.56
Maintaining Joint Tracks, Yards and Other Facilities—Cr.	724.35 Cr.	507.18	
Total	<u>\$463,464.68</u>	<u>\$64,312.13</u>	

TABLE F—(Continued)

MAINTENANCE OF EQUIPMENT

	Amount	Increase	Decrease
Superintendence	\$ 28,537.25		
Shop Machinery	2,534.51	\$ 539.65	\$ 841.09
Power Plant Machinery	12.65		90.86
Power Plant Machinery—Depreciation....	3,427.65		242.35
Dismant. Shop and Power Plant Mach'y			352.04
Steam Locomotives—Repairs			1,086.79
Other Locomotives—Repairs	38,377.43	14,739.16	
Freight-train Cars—Repairs	35,558.11	3,106.92	
Passenger-train Cars—Repairs	14,139.61	428.26	
Work Equipment—Repairs	6,016.87	1,168.00	
Miscellaneous Equipment—Repairs	1,697.00	966.71	
Equipment—Retirements	188.80		825.38
Equipment—Depreciation	120,699.16	18,627.91	
Injuries to Persons	438.82		152.68
Insurance	2,650.04	516.67	
Stationery and Printing	372.51	242.69	
Other Expenses	1,799.51	Cr. 1,380.89	
Maintaining Joint Equipment—Dr.	228.49		341.10
Maintaining Joint Equipment—Cr.	678.81	Cr. 410.67	
Total	\$252,400.58	\$38,195.24	

TRAFFIC

Superintendence	\$ 15,456.79	\$ 4,392.35
Advertising	2,205.96	615.46
Traffic Associations	1,333.11	561.42
Insurance	445.58	236.20
Stationery and Printing	2,802.90	337.12
Total	\$ 22,244.34	\$ 6,142.55

TRANSPORTATION—RAIL LINE

Superintendence	\$ 35,427.48	\$ 2,050.22
Dispatching Trains	5,240.17	\$ 284.76
Station Employees	91,347.28	1,884.02
Wei'g Inspc'n and Demurrage Bureaus	808.42	4.78
Station Supplies and Expenses	5,264.58	863.47
Yardmaster and Yard Clerks	8,443.70	1,653.86
Yard Conductors and Brakemen	25,189.57	4,644.57
Yard Motormen	16,248.69	1,595.23
Yard Enginemen		517.34
Yard Switching Fuel	6,211.29	370.64
Water for Yard Locomotives		73.40
Lubricants for Yard Locomotives	330.49	298.68
Other Supplies for Yard Locomotives	273.11	16.89
Enginehouse Expenses—Yard	7,388.28	253.12
Yard Supplies and Expenses	1,948.40	1,233.95

TABLE F—(Continued)

	Amount	Increase	Decrease
Train Enginemen			\$ 973.80
Train Motormen	\$ 59,819.94	\$ 9,284.28	
Train Fuel	38,750.32	8,584.13	
Water for Train Locomotives	30.80	872.68	
Lubricants for Train Locomotives	2,615.53		468.30
Other Supplies for Train Locomotives ..	1,232.32		455.98
Enginehouse Expenses—Train	22,057.46		4,629.71
Trainmen	74,940.57	10,756.72	
Train Supplies and Expenses	17,475.77	3,583.27	
Signal and Interlocking Operation	151.10		350.11
Drawbridge Operation	7,769.61	1,035.66	
Telegraph and Telephone Operation	448.73		2,910.33
Stationery and Printing	3,794.35		204.90
Other Expenses	4,751.87	406.79	
Insurance	7,279.64	3,820.84	
Clearing Wrecks	681.76		306.20
Damage to Property			586.66
Damage to Live Stock on Right of Way	232.02	126.88	
Loss and Damage—Freight	7,771.94		4,701.56
Loss and Damage—Baggage			36.00
Injuries to Persons	2,872.80	1,856.55	
Opera'g Joint Yards and Terminals—Dr.	8,766.23		2,154.23
Opera'g Joint Yards and Terminals—Cr.	12,186.01	Cr. 32.64	
Opera'g Joint Tracks and Facilities—Dr.	292.30		92.81
Opera'g Joint Tracks and Facilities—Cr.	4,117.62	Cr. 647.90	
 Total	 \$449,552.89	 \$35,195.18	

GENERAL

Salaries and Expenses of General Officers	\$ 20,478.63	\$ 2,004.35
Salaries and Exp's of Clerks and Attend's	51,560.36	9,058.17
General Office Supplies and Expenses	2,497.99	1,599.40
Law Expenses	7,272.64	2,001.48
Insurance	474.26	236.09
Pensions	2,974.60	2,653.81
Stationery and Printing	6,804.75	1,034.42
Other Expenses	8,200.28	7,323.18
 Total	 \$100,263.51	 \$11,264.54

SUMMARY

Maintenance of Ways and Structures.	\$ 463,464.68	\$ 64,312.13
Maintenance of Equipment	252,400.58	38,195.24
Traffic	22,244.34	6,142.55
Transportation	449,552.89	35,195.18
General	100,263.51	11,264.54
 Total Operating Expenses	 \$1,287,926.00	 \$155,109.64

TABLE G

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF MILEAGE, DECEMBER 31, 1948

MAIN LINE

North Bay City to Cheboygan	195.10
One-half Undivided Ownership—Foss to North Bay City .....	.13

BRANCHES

Omer to AuGres	7.95
Alabaster Junction to Alabaster	4.18
Hillman Junction to Emerson	10.38
Rogers City Junction to Rogers City	14.33
<hr/>	
Total	36.84
Total Main Line and Branches	232.07
Yard Tracks and Sidings	51.53
<hr/>	
Total, all Tracks (miles)	283.60

TABLE H

DETROIT AND MACKINAC RAILWAY COMPANY

CLASSIFICATION OF FREIGHT TONNAGE

	1947 Tons	Per Cent	1948 Tons	Per Cent
<i>Products of Agriculture:</i>				
Grain	7,597	.6	11,192	.9
Flour	3,053	.3	3,250	.2
Other Mill Products	263		297	
Hay and Straw	1,842	.2	1,220	.1
Potatoes	15,540	1.3	9,990	.7
Fruits and Vegetables	6,892	.6	6,405	.5
Sugar Beets	3,704	.3	4,306	.3
Other Products of Agriculture	420		345	
<hr/>				
Totals	39,311	3.3	37,005	2.7

TABLE H—(Continued)

	1947 Tons	Per Cent	1948 Tons	Per Cent
<i>Animals and Products:</i>				
Livestock	1,302	.1	637	
Wool	105			
Hides and Leather	4,906	.4	5,577	.5
Other Animals and Products	1,961	.2	1,544	.1
Totals	8,274	0.7	7,758	.6
<i>Products of Mines:</i>				
Anthracite Coal	655	.1	1,270	.1
Bituminous Coal	43,250	3.6	49,355	3.6
Coke	2,125	.2	1,917	.1
Clay, Gravel, Sand and Stone	598,284	50.6	695,220	50.9
Other Products of Mines	2,480	.2	2,105	.2
Totals	646,794	54.7	749,867	54.9
<i>Product of Forests:</i>				
Lumber, Shingles and Lath	19,902	1.7	12,540	.9
Pulp Wood	38,572	3.3	74,846	5.5
Other Products of Forests	8,297	.7	12,720	.9
Totals	66,771	5.7	100,106	7.3
<i>Manufacturers and Miscellaneous:</i>				
Refined Petroleum and its Products	41,503	3.5	56,248	4.1
Sugar	440		567	
Rails and Fastenings	476		1,809	.1
Bar and Sheet Iron, Structural Iron, and Iron Pipe	20,396	1.7	7,928	.6
Castings, Machinery and Boilers	7,731	.7	4,447	.3
Cement	52,704	4.5	74,225	5.4
Brick and Artificial Stone	3,896	.3	2,765	.2
Lime and Plaster	42,405	3.6	55,114	4.0
Building Paper and Prepared Roofing Material	5,326	.5	3,541	.3
Beverages	802	.1	333	
Fertilizers (all kinds)	6,787	.6	8,035	.6
Newsprint and Printing Paper	29,847	2.5	22,591	1.7
Canned Goods (all canned food products)	2,013	.2	1,503	.1
Paper Bags and Wrapping Paper	1,088	.1	3,893	.3
Paperboard, Pulpboard and Wallboard	101,684	8.6	142,192	10.4
Other Manufacturers and Miscellaneous	88,351	7.5	75,425	5.5
Totals	405,449	34.4	460,616	33.7
All L. C. L. Freight	14,780	1.2	11,309	.8
Grand Total, Carload and L. C. L. Traffic	1,181,439	100%	1,366,661	100%

TABLE I
DETROIT AND MACKINAC RAILWAY COMPANY
FREIGHT STATISTICS

	1947	1948
Number tons revenue freight carried	1,181,439	1,366,661
Number tons non-revenue freight carried	23,882	23,015
Total number tons of freight carried	1,205,321	1,389,676
Number revenue tons carried one mile	105,342,000	104,277,000
Number all tons carried one mile	107,047,911	105,882,000
Number revenue tons carried one mile, per mile of road	462,026	453,735
Number tons all freight carried one mile, per mile of road	469,509	460,717
Average distance haul of one ton revenue freight (miles)	89.1	76.3
Average distance haul of one ton all freight (miles)	88.8	76.2
Total Freight Revenue	\$ 1,647,404	\$ 2,045,692
Average amount received for each ton of freight	\$ 1.39	\$ 1.50
Average receipts, per ton, per mile	\$.01563	\$.01962
Freight revenue, per mile of road	\$ 7,224.82	\$ 9,292.70
Freight revenue, per train mile	\$ 11.98	\$ 14.39
Average number of revenue tons, per train mile	765	735
Average number of all tons, per train mile	778	745
Average number of all tons, per loaded car mile	37.7	36.8
Average number of cars, per train mile	31.5	35.1

PASSENGER STATISTICS

Number of passengers carried	9,494	8,616
Number of passengers carried one mile	781,719	612,980
Number of passengers carried one mile, per mile of road	3,705	2,667
Average distance each passenger carried (miles)	82.3	71.14
Passenger revenue	\$ 21,166	\$ 14,765
Average amount received from each passenger	\$ 2.23	\$ 1.71
Average receipts, per passenger, per mile \$	\$.0271	\$.02409
Total passenger train earnings	\$ 74,626	\$ 78,815
Passenger train earnings, per mile of road \$	\$ 353.68	\$ 372.66
Passenger train earnings, per train mile \$	\$.82	\$.86
Average number of passenger, per train mile	9.6	6.7

OPERATING STATISTICS

Gross revenue from operation	\$ 1,809,261.46	\$ 2,198,791.84
Gross revenue from operation, per mile of road	\$ 7,935.35	\$ 9,567.45
Operating Expenses	\$ 1,132,816.36	\$ 1,287,926.00
Operating expenses, per mile of road	\$ 4,968.49	\$ 5,604.06
Net Operating Revenue	\$ 676,445.10	\$ 910,865.44
Net operating revenue, per mile of road	\$ 2,966.86	\$ 3,963.39
Ratio of expense to earnings	62.6	58.55

TABLE J
DETROIT AND MACKINAC RAILWAY COMPANY
EQUIPMENT

Locomotives:

	1947	1948
Steam — Freight	4	
Diesel — Road Switchers	5	6
Diesel — Switching	1	1
Gasoline — Switching	1	
Totals	11	8

Passenger Cars:

	4	1
Coaches	4	
Cafe	1	
Parlor	1	
Gas Electric Combination Passenger,		
Baggage and Mail	2	2
Combination Passenger and Baggage	2	2
Combination Baggage and Mail	2	2
Baggage and Express Cars	7	6
Express Refrigerators	9	7
Totals	28	24

Freight Cars:

	214	205
Box	11	12
Flat	71	86
Hoppers — Open	8	11
Caboose Cars	4	1
Troop Sleepers		
Totals	308	315

In Company's Service:

	1	1
Officers	3	3
Ballast	11	11
Flangers	1	1
Jordon Spreader	1	1
Industrial Crane	1	1
Other Road Cars	26	27
Totals	43	44

Summary:

Total Number of Locomotives Owned	11	8
Total Number of Cars Owned	379	383

TABLE K

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF TRACKS BUILT AND TAKEN UP DURING YEAR 1948

TRACKS BUILT

Track Order	YARD TRACKS, SIDINGS, AND SPURS	Location	Feet
3345	Build Track 192, Boiler Shop	Tawas Shop	452
3346	Build Track 12-A, Boiler Shop	Tawas Shop	398
3347	Build south end of Track No. 11	Tawas Shop	218
3362	Build Track 6-B of Track 6	Tawas Shop	493
3363	Extend Track No. 18 southerly	Tawas Shop	517
3400	Extend Track No. 4	Tawas City	25
3456	Build Track No. 1-A	Alabaster	1550
3467	Build 7½ degree Wye Track	Alabaster Br'ch.	1563
3475	Extend Track No. 2	Alabaster	69
			5285

TRACKS TAKEN UP

Track Order	YARD TRACKS, SIDINGS, AND SPURS	Location	Feet
3390	Retire balance of Track 158	Norwicki	361
3391	Retire Track No. 152	Polaski	1210
3394	Retire north end of Track 141	Ossineke	887
3407	Retire Track No. 63-B	Alpena	143
3412	Retire balance of Track 159	Metz	385
3427	Retire Track O-1, Tawas Yard	Tawas City	726
3446	Shorten Track No. 77	Turner	105
3458	Retire north end of Track 134	Alcona	1391
3470	Retire balance of Rockport Branch	Alpena	12291.5
			17499.5

SUMMARY

Tracks taken up	17499.5
Tracks built	5285

Net Retirement	12214.5	Feet or 2.31 Miles
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